(b) Yes, Sir.

(c) An investment of Rs. 1456 crores under Renewal & Replacement (RR) head and Rs. 348 crores under New Capital (NC) head is envisaged during the tenth plan.

(d) Modernisation of the ordnance factories is being carried out to reduce the cost of production, enhance the product quality, optimise manpower and bring in flexibility to cater to changing product-mix. During the process of modernisation, automation is also being introduced in the ordnance factories in selected areas like auto-gantry robots, material handling manipulators, auto-gauging units, automatic packing plants etc. The modernisation plan covers production of ammunition & explosives, weapons, transport vehicles, armoured vehicles, small arms and equipment items.

Consumption of CSD Liquor

3423. SHRI SHAHID SIDDIQUI:

SHRI RAMACHANDRA KHUNTIA: Will

the Minister of DEFENCE be pleased to state:

(a) whether Government are aware that liquor procured from Canteen Supply Depot (CSD), meant for defence personnel, is being served at parties in the premises of a hotel as reported in the media; and

(b) if so, whether Government has made any enquiry into the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (PROF. CHAMANLAL GUPTA): (a) and (b) The Government is aware of the news reported by the media. However, the facts are being ascertained.

Signing of agreement with M/s. FXC International U.S.A.

3424. SHRI MURLIDEORA : Will the Minister of DEFENCE be pleased
to state:

(a) whether any agreement was signed with M/s. FXC International of U.S.A. for supply of pilot parachutes and brakeparachutes in January, 1996;

(b) if so, the details thereof;

(c) whether the firm encashed the letter of credit in August, 1996 on the basis of a target document;

(d) if so, the details thereof; and

(e) the action taken by Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (PROF. CHAMAN LAL GUPTA): (a) Yes, Sir.

(b) Two contracts were signed with M/s.FXC International, U.S.A. Details
of these contracts are given below :

(i) First contract was signed in January, 1996 for procurement of quantity 48 of Pilot Parachutes PSU-36. The value of the contract was US Dollar2,01,600.

(ii) Second contract was signed in February, 1996 for procurement of quantity 200 Brake Parachutes PTK-29. The value of the contract was USDoHar4,70,(XX).

(c) Yes, Sir.

(d) The State Bank of India (FED) released the payment without checking the authenticity of document produced by the supplier.

(e) A civil suit is being filed in the competent court to recover the money.

Indo-US Execvdve Steering Groups Meeting in Honolulu

3425. SHRIGULAM NABI AZAD : Will the Minister of DEFENCE be pleased to state:

(a) whether the Indo-US Executive Steering Group Meeting was held in Honolulu in December, 2002;

(b) whether any discussion was held to further bolster ties between the two armies; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (PROF. CHAMAN LAL GUPTA): (a) Yes, Sir.

(b) Yes, Sir,

(c) The Indo-US Executive Steering Group Meeting of December, 2002 discussed issues relating to enhanced military interaction between India and United States. These included issues relating to joint exercises and exchange visits of military experts in specific areas. Military operations to counter terrorism were also discussed.